Department of Management Studies
NALSAR University of Law

2025

inFINity Club

Artha Drishti

inFINity Club

1ST EDITION AUG-SEPT.

Artha Drishti

"Artha Dristi- A Vision Through Finance"
A perspective to understand the world of wealth, resource and finance.

We at inFINity wanted to create something more than a newsletter. it's a way of seeing numbers and understanding finance and a safe space and platform for giving the wonderful insights by our students community.

In the corridors of NALSAR, where arguments shape futures and words hold power, Infinity hopes to create a corner, where finance is understood, where students decode markets, interpret trends, and question the world of money that shapes our societies.

Every insight here and every student written article carries the imprint of young minds learning to see finance not as mere profit and loss, but as a story of people, choices, and change.

Artha Dristi is our shared gaze our collective attempt to understand the world a little better through the lens of finance.

Welcome to this journey of perspective, purpose, and possibility.

FOREWORD

It gives me immense pleasure to extend my congratulations to the inFINity Club of NALSAR University of Law on the launch of its inaugural newsletter. The initiative marks a significant step towards fostering financial literacy, analytical thinking, and a deeper understanding of the world of finance, business, and economics among students.

I am confident that this newsletter will serve as a valuable medium for sharing knowledge, insights, and perspectives that inspire curiosity and critical thinking. I commend the members of the inFINity Club for their dedication and initiative, and I wish them continued success in their endeavors.

Hon'ble Vice Chancellor
Prof. Srikrishna Deva Rao

Finance is not just a matter of figures-it's about stories, choices and the financial drivers that create our world. ArthDrishti, the inFINity Club newsletter, reflects this larger vision. It captures the interest and analytical bent of our students, who aspire to interpret the rhythm of economies and the narratives behind market movements.

What sets ArthDrishti apart is the fact that it is not merely an aggregation of financial news but also a collection of student written articles from across NALSAR. I applaud the inFINity team for making a place where ideas and curiosity intersect along with passion and purpose. Their initiative reflects the mission of the Department to bring up thinkers who do not simply learn about finance but look beyond it.

Good luck to the editorial team and writers for this exciting venture. May ArthDrishti keep firing the minds to ask questions and set new standards for student led initiatives at DoMS.

Prof. P. Srinivas Subbarao
HoD DoMS, NALSAR

It gives me an immense pleasure to pen down this foreword for ArthDrishti. This initiative marks a significant step in nurturing financial literacy, critical thinking, and intellectual curiosity among students. In today's dynamic world, where economic forces shape societies and opportunities alike, understanding finance is not merely a skill but a necessity.

I am proud of the enthusiasm, creativity, and commitment shown by the members of the inFINity Club in bringing this vision to life. Their efforts to bridge academic learning with real-world financial insights are truly commendable. I am confident that ArthDrishti will inspire readers to think beyond numbers and develop a deeper appreciation of finance as a driver of informed decision-making and societal growth.

I extend my best wishes to the entire team for the successful launch of this newsletter and hope it continues to grow as a source of knowledge, inspiration, and innovation.

Prof. Sai Kiran
Faculty in Charge,
inFINity Club

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1ST EDITION

Artha Drishti

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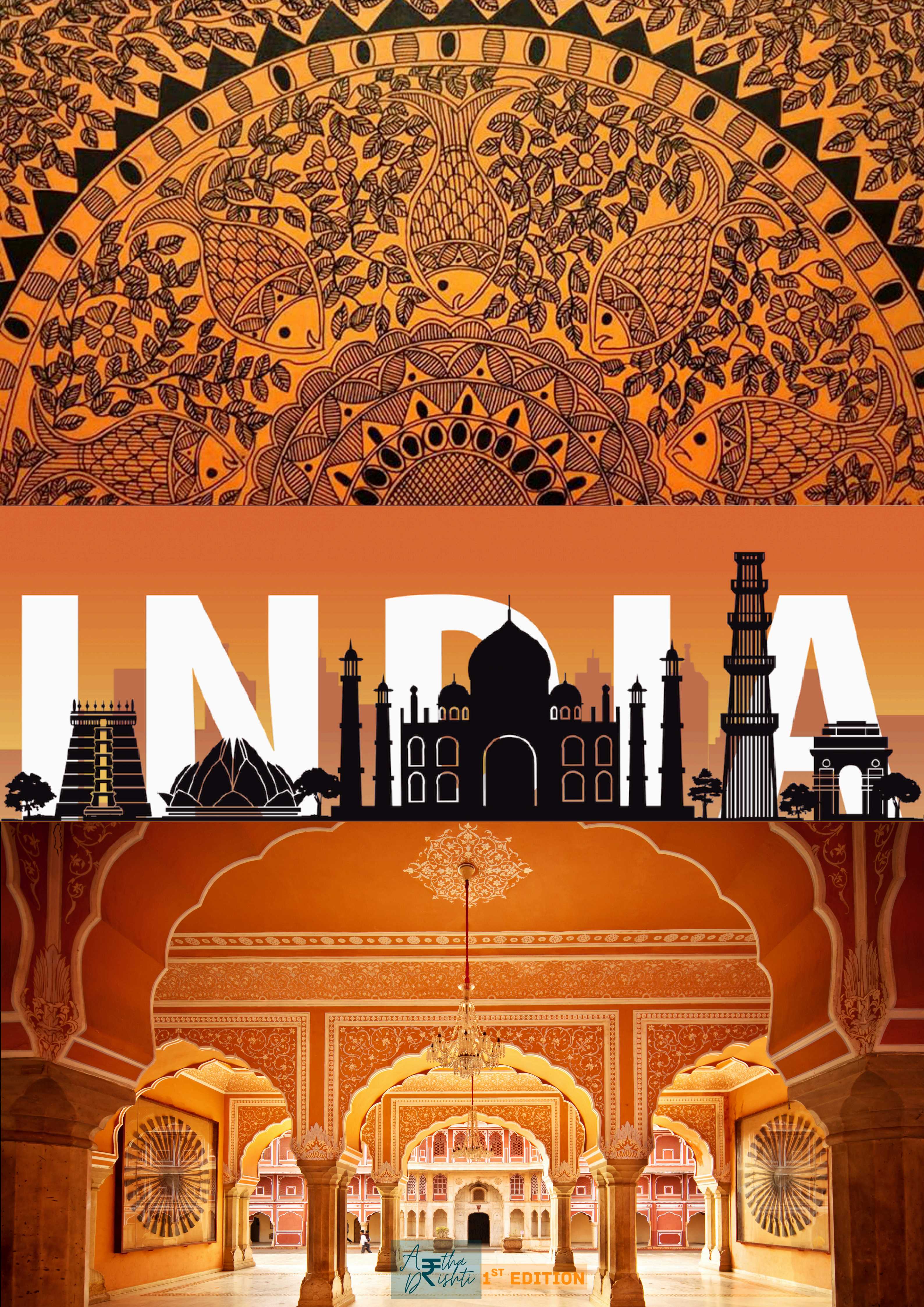
MARKET OVERVIEW

BEYOND THE BALANCE SHEET


INDIA
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India

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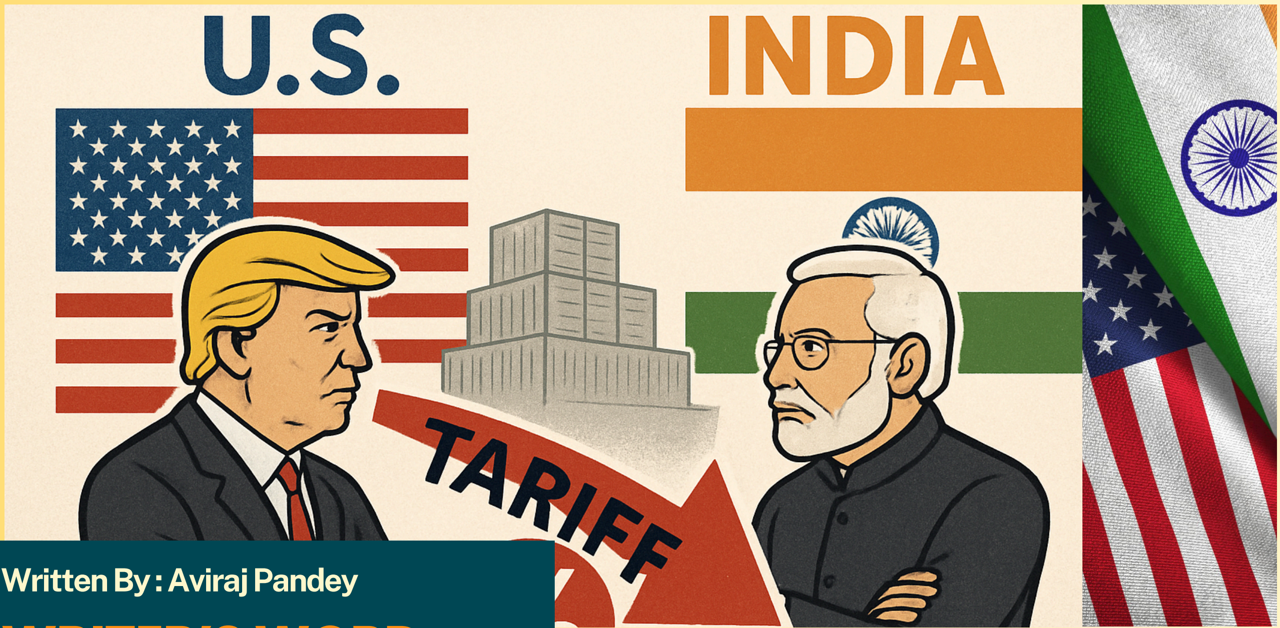
TARIFF TEMPEST

GLOBAL TRADE & GEOPOLITICS REPORT



Written By : Aviraj Pandey

WRITER'S WORD

Dear Reader,
Welcome to this inaugural issue of FinSights, the inFINity Club's newsletter. Today, we bring you an in-depth analysis of the rapidly souring trade relationship between US & India, with profound implications for global commerce and international relations.

KEY POINTS

- Tariffs Imposed by the US on India
- Reasons Behind the Tariffs
- Timeline of Escalation
- Impact on Sectors
- Wider Implications
- What's Next?

US-India Trade Relations Rattle Under Steep Duties

In a move that marks a profound recalibration of a key strategic partnership, the United States has unleashed a series of steep, escalating tariffs against India, culminating in duties as high as 50% on a wide range of goods. The measures, enacted under President Donald Trump, position India as one of the most heavily tariffed nations by the US, fundamentally altering the economic landscape between the world's two largest democracies. The administration has directly linked this punitive action to Washington's frustration over India's continued procurement of oil and military equipment from Russia. However, long-standing US complaints regarding India's non-monetary trade barriers and the persistent trade surplus have also been cited as contributing factors.

How We Got Here: A Timeline of Rapid Escalation

The path to these unprecedented tariffs was swift, unnerving and decisive, unfolding over just a few months in 2025. This rapid timeline highlights the intensity of the diplomatic breakdown.

- **April 2:** The first shot was fired with the announcement of a 25% "reciprocal tariff" on Indian goods.
- **April 5:** An executive order established a 10% baseline tariff on all imports but added a specific 16% tariff targeting only India, set to begin April 9.
- **April 9:** The 16% India-specific tariff was paused for 90 days, offering a temporary reprieve, though the 10% baseline tariff remained.
- **July 8:** The suspension was extended to August 1, suggesting that backchannel negotiations were underway.
- **July 30:** The situation intensified dramatically. The US announced a new 25% tariff plus a penalty, explicitly citing India's "continued purchase of oil and military hardware from Russia" as the reason.
- **July 31:** A White House executive order made it official, scheduling the 25% tariff to take effect on August 7 and including a 21-day window before potential further hikes.
- **August 5:** President Trump signalled his intent to go further, publicly stating he would "raise tariffs on India 'very substantially.
- **August 6 & 7:** Making good on the threat, an additional 25% penalty was imposed. As the initial 25% tariff took effect on August 7, the cumulative duty on many targeted Indian goods immediately hit 50%.
- **August 27:** The 21-day negotiation window expired with no rollback announced. The full 50% tariff remains in force across targeted sectors.

Dissecting the Impact: Who's Hit and Who's Spared?

While the 50% figure is jarring, the tariffs are not a blanket measure. The administration has strategically exempted certain critical sectors while targeting others. Sectors Bearing the Brunt: Industries like textiles, gems and jewellery, leather goods, chemicals, and auto components are on the front line, facing the full 50% duty. This threatens to disrupt major Indian export engines. Key Exemptions: Crucially, vital goods such as pharmaceuticals, electronics, and key energy products have been excluded from the highest tariff rate. This means nearly half of India's exports to the US will avoid the most severe duties, a move likely intended to minimize disruption to critical American supply chains.

A New Global Precedent for US Tariffs

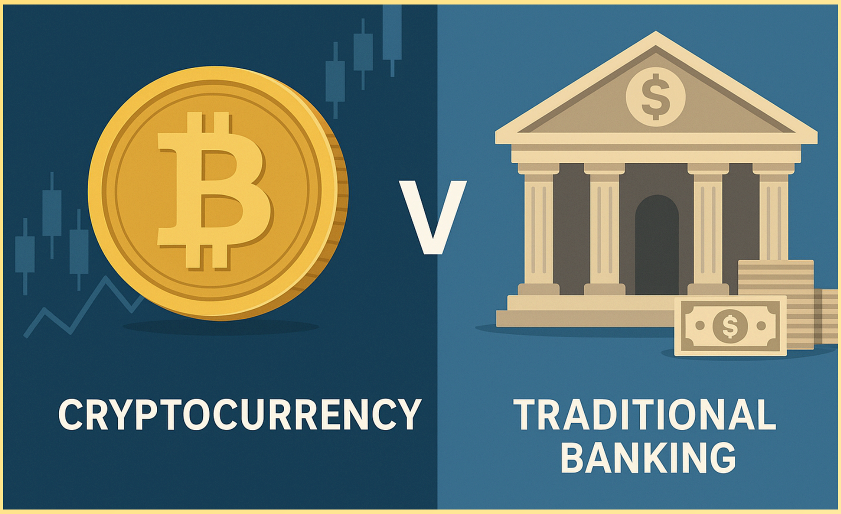
With this action, India joins Brazil in facing the highest tariff rates imposed by the Trump administration. The 50% rate is significantly higher than the 30-34% duties currently levied on many Chinese goods, underscoring the severity of Washington's current stance toward New Delhi.

What's Next? A Critical Window for Negotiation

The situation is tense and increasingly entrenched. The executive order's negotiation window has closed, and the full 50% tariff is now locked in. With no rollback or diplomatic breakthrough as of mid-September, the trade war appears to be entering a prolonged phase. The economic and diplomatic ramifications are immense. This trade war threatens to increase costs for American consumers, disrupt integrated supply chains, and place immense strain on a bilateral relationship that has been a cornerstone of US policy in the Indo-Pacific. The coming weeks will be critical. The world will be watching to see if Washington and New Delhi can find a diplomatic off-ramp or if this tariff tempest will escalate into a full-blown economic storm.

A Study on Cryptocurrency's Impact on Traditional Banking

Written By: Shivansh Pathak



The rise of cryptocurrency has introduced a transformative force within the financial sector, reshaping how transactions are conducted and how traditional banks operate. With decentralized structures supported by blockchain tech, crypto challenges the centralized norms of banking, while simultaneously creating new opportunities for innovation. This paper explores the multifaceted impact of crypto adoption on traditional banks, examining both opportunities and challenges. It highlights the potential for greater financial accessibility, the regulatory complexities surrounding decentralized currencies, and the strategies banks must employ to remain relevant. The findings suggest that the future of banking depends on a balanced coexistence between innovation and regulation, ensuring resilience in a rapidly evolving financial ecosystem.

INTRODUCTION

Cryptocurrencies have rapidly emerged as disruptive financial instruments that challenge the very foundation of traditional banking. Their decentralized and borderless nature offers alternatives to conventional systems, enabling permissionless transactions and breaking down barriers for underserved populations. However, the same features that empower inclusivity also generate regulatory dilemmas, particularly in enforcing anti-money laundering (AML) and know-your-customer (KYC) standards. As cryptocurrencies gain legitimacy, banks are compelled to adapt, questioning their long-standing role as intermediaries in financial transactions. This study analyzes how traditional banking systems are navigating the changing landscape shaped by cryptocurrencies.

Cryptocurrency represents a decentralized form of digital money, built upon blockchain technology, that bypasses conventional financial intermediaries. While offering security, transparency, and efficiency, cryptocurrencies also pose challenges due to volatility and regulatory ambiguity. Existing literature emphasizes their growing adoption by institutions and businesses, suggesting both threats and opportunities for banks. Studies also indicate the rise of "shadow crypto-financial systems" in loosely regulated environments, intensifying the need for stronger oversight.

TRADITIONAL BANKING VS CRYPTOCURRENCY

Traditional banking relies on centralized structures, regulatory oversight, and physical branches. Services are confined by geography, banking hours, and institutional policies. In contrast, cryptocurrencies enable 24/7 global transactions without intermediaries, often at lower costs. This shift challenges the "specialness" of banks, particularly in money production and payment processing. While banks still hold advantages in stability, regulation, and trust, cryptocurrencies expose inefficiencies in legacy systems, prompting banks to modernize.

CHALLENGES FOR BANKS

- Blockchain Integration: Adapting legacy infrastructure to support crypto transactions securely.
- Regulation & Compliance: Balancing innovation with KYC/AML requirements.
- Scalability: Managing increasing transaction volumes without compromising security or speed.
- Customer Education: Ensuring users understand cryptocurrency services to build trust and adoption.
- To identify technological and security challenges for banks in adopting crypto-based services.
- To compare the security mechanisms of blockchain with those of traditional banking.

BANKS' RESPONSE TO CRYPTO COMPETITION

Facing rising competition, banks are pursuing multiple strategies:

- Collaboration: Partnering with fintech firms or blockchain initiatives to improve transparency and efficiency.
- Adoption: Exploring blockchain integration for settlement systems and cross-border payments.
- Selective Engagement: Maintaining limited exposure to crypto while monitoring market developments.

Research suggests banks in advanced economies are more willing to experiment, while others remain cautious due to volatility and regulatory uncertainty. The adoption of cryptocurrencies has intensified competition in the financial sector, forcing banks to innovate. While they create new opportunities for financial inclusion, cryptocurrencies also present systemic risks due to volatility and fragmented regulation. Notably, security breaches and hacks have exposed vulnerabilities in the crypto ecosystem. The overall impact remains dynamic: disruptive yet complementary, threatening yet also pushing banks toward greater efficiency.

SUGGESTIONS

- Conduct consumer behavior studies to track shifting preferences.
- Monitor regulatory developments and design adaptive frameworks.
- Explore blockchain applications for improved security and efficiency.
- Undertake comparative studies of banks adopting versus resisting crypto integration.
- Develop strategies to mitigate risks from volatility.

CONCLUSION

Cryptocurrencies represent both a disruption and an opportunity for traditional banking. Their decentralized, transparent, and inclusive nature challenges centralized control, yet also inspires innovation within the financial sector. For banks, the path forward lies in embracing blockchain technologies, collaborating with crypto initiatives, and maintaining agility in regulatory compliance. Striking a balance between innovation and oversight is essential for ensuring the coexistence of traditional banking and the growing cryptocurrency ecosystem. Ultimately, the future of banking will depend on how effectively institutions can align resilience with adaptability, forging a system that integrates both conventional stability and digital innovation.

The Grave Problem of Income Tax Evasion in India

Written By: Manav Pamnani

The term ‘income tax’ refers to the tax governments impose upon individuals and organisations based on the income they earn. According to law, taxpayers must file an income tax return annually to determine their tax obligations. However, the problem which plagues the Indian economy today is that of tax evasion. Tax evasion is a phenomenon which deals with how taxpayers try to evade the payment of taxes. Although the tax laws in India reflect a utopian view regarding how the taxation regime should actually be, the reality is very different.

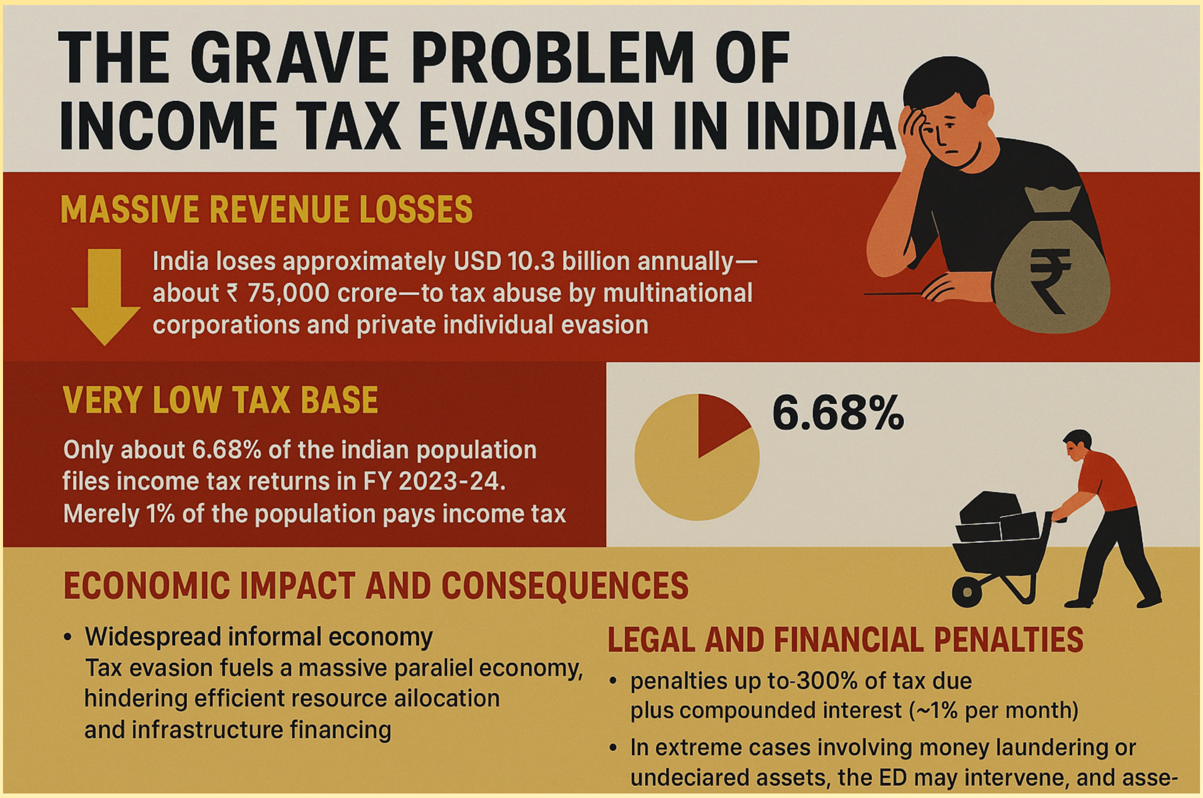
The irony today is that although India follows a progressive taxation system wherein people with more income have to pay more tax and vice versa, the affluent people are accumulating more wealth whereas the poor are becoming poorer. The main cause which can be attributed to this is the satirical nature of the Indian economy which is characterised by the practice of tax evasion.

The question which might arise in your mind is how taxes are actually evaded with all the regulatory mechanisms in place. The answer is really simple. In spite of the numerous sanctions, punishments and regulatory bodies and mechanisms, evasion of taxes has become a piece of cake for people, mainly businesses and businessmen in India. In fact, India is losing around seventy-five thousand crores every year due to this and this is only the recorded figure; the actual amount is much more. The basic methodology used to evade taxes is the concealment of actual income. Since income tax is based purely on income, by hiding the actual revenue or earnings, a person can get away with paying less taxes.

This will give rise to another question which is how the income of people and business houses are hidden. This is done simply by accepting less white money and more cash or liquidated sums for every transaction possible. The income which the government takes into consideration is the income which has been accounted for, that is, mainly the transactions which involve one’s bank account but if a person deals through liquidated transaction mediums such as accepting money in cash, there is no method to record such transactions. These are commonly known as under-the-table transactions and they in turn give rise to black money. For example, if a person earns fifty lakh rupees via a transaction but accepts half the amount via a cheque transfer and the other half via cash, the income accounted for will only be twenty-five lakh and tax will have to be paid only on this amount. The current tax on a sum of twenty-five lakh rupees will be around eight lakh, eighty-five thousand and this means that the person mentioned above can easily save almost nine lakh rupees in a single transaction by simply hiding half of his income.

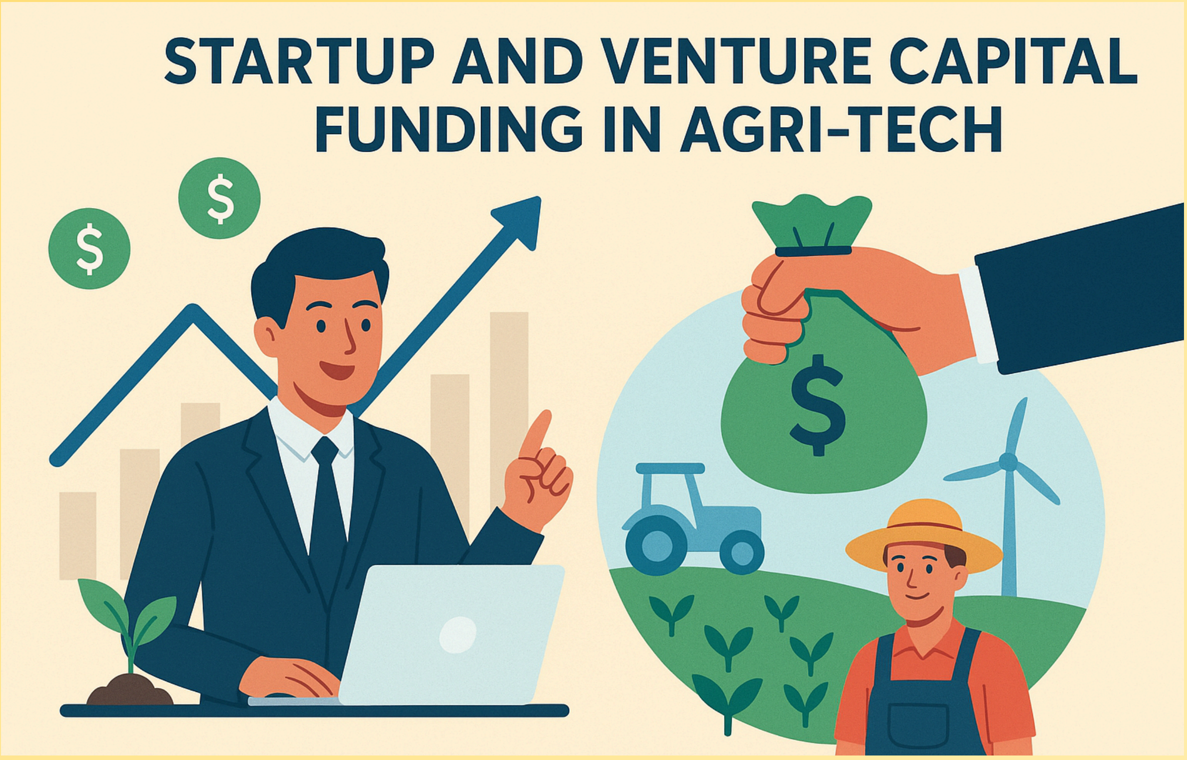
This is the reason why the Indian government had introduced demonetisation in 2016. The intention and objective were in the correct direction but the execution fell short of what had been planned. By changing the currency notes overnight, the cash which people had accumulated by adopting a plethora of tax evasion methods would be of zero value and this would help in reducing the amount of black money. However, people in India escaped this looming threat too by paying higher sums for the things they bought, especially gold, just to get rid of the money. The value of gold at that time was around thirty lakh rupees for a kilogram and people have willingly spent more than fifty lakh rupees for the same. This move, although unethical, is a smart one because the value of gold today is around fifty-five lakh rupees a kilogram. It was through these secretive methods that Indians foiled the noble intentions of the Government.

Tax evasion is widely prevalent in India but only among businessmen. Salaried employees cannot indulge in this because their tax is deducted at source, that is, the salary that they get every month is paid after deducting tax. The massive amount of cash with the businessmen serves as an incentive for them to unthinkably squander away a lot of money by spending it on the purchase of extravagant items, luxury cars and so on which is definitely beneficial for a part of the economy but a major part of the population suffers.
The seventy-five thousand crore loss that I spoke about earlier ultimately reduces the standard of living of the poor because it decreases the funds with the government which in turn reduces their expenditure on welfare schemes and subsidies to the poor, thus proving to be detrimental for around ninety-nine percent of the population which is a tremendous number. The financial literacy of the poor is also not great and so, they are constantly exploited. The trembling state of the economy is in dire need of a revival and the only medium through which this can be brought about is the effective implementation of the tax regime in the country. The regulation has to be made stricter and the loopholes have to be corrected if a change is sought. With the rich becoming richer and the poor becoming poorer, the future looks grim but there still lies a ray of hope within the heart of every person amongst the ninety-nine percent of the population who ultimately face the burden due to the practice of tax evasion.



Startup & Venture Capital Funding in Agri-Tech

Written By: Geethamrutha Avvaru



Dear Readers,
Agriculture is the backbone of India's economy, and finance is the fuel that drives its transformation. In this edition, we bring you insights into how startups and venture capital are reshaping Indian agriculture. With innovation meeting investment, Agri-Tech is no longer just about farming- it's about building sustainable ecosystems for the future.
Happy Reading!

- **STARTUP & VENTURE CAPITAL FUNDING IN AGRI-TECH**

Unlike typical tech startups, Agri-Tech ventures face unique challenges: high infrastructure costs, fragmented farmer networks, and unpredictable climate risks. Venture capital plays a crucial role by providing not just capital but also mentorship, scalability opportunities, and connections to global markets.

- **WHY AGRI-TECH NEEDS FUNDING?**

Unlike typical tech startups, Agri-Tech ventures face unique challenges: high infrastructure costs, fragmented farmer networks, and unpredictable climate risks. Venture capital plays a crucial role by providing not just capital but also mentorship, scalability opportunities, and connections to global markets.

- **RECENT FUNDING TRENDS**

In the last three years, India has witnessed over $2 billion in Agri-Tech investments, with major funding going into supply chain management, precision farming, and Agri-financing platforms. Startups like Ninja cart have raised significant capital to expand farmer networks and modernize logistics. A growing trend is impact investing, where funds look beyond profits and prioritize sustainable, climate-resilient agriculture.

Venture capital in Agri-Tech is not just about returns; it's about food security, rural development, and sustainability. With India targeting to double farmers' income, the blend of entrepreneurship and finance will be a game-changer.

Takeaway: For MBA students, Agri-Tech presents a dynamic intersection of finance, technology, and social impact—an area rich with opportunities for research, internships, and entrepreneurial exploration.

- **QUICK FINANCE UPDATES**

1. Budget 2025: Allocation of ₹20,000 crore towards agricultural credit support.
2. Commodity Watch: NCDEX records a 15% rise in pulse futures trading this quarter.
3. Agri-Fintech: Digital lending platforms expand microcredit access to small farmers in Uttar Pradesh and Bihar.

- **DID YOU KNOW?**

India has over 1,500 active Agri-Tech startups, making it the third-largest Agri-Tech ecosystem globally after the US and China.

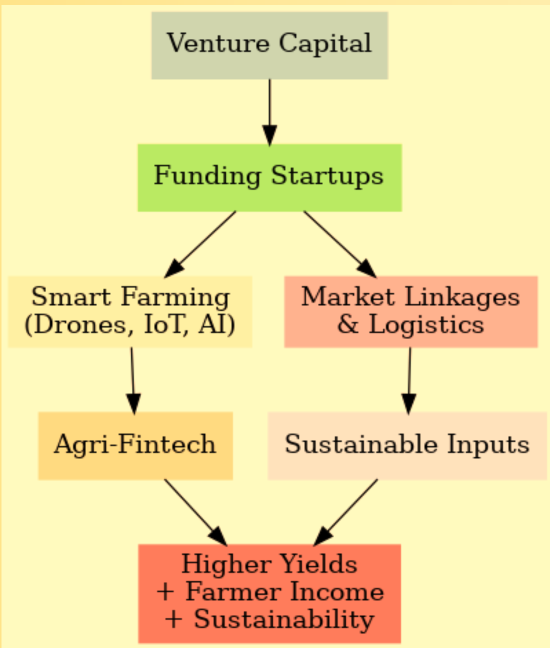
Agri- Tech is proving that farming is no longer a traditional sector- it is a financial frontier where innovation and investment create real-world impact. As future finance leaders, we must watch these developments closely.

"Investment in agriculture is the best weapon against hunger and poverty."
- Bill Gates

- **FINANCE AS THE GROWTH CATALYST IN AGRI-TECH**

The future of Agri-Tech in India depends as much on finance as on technology. Venture capital is more than just funding—it is the engine that turns innovative ideas into scalable solutions. By directing capital toward sustainable practices, finance ensures that Agri-tech drives not only higher yields but also stronger rural economies.

In essence, finance is the soil where Agri-Tech innovation takes root. With the right flow of capital, India's farms can grow into resilient, competitive, and climate-smart ecosystems.



Artha Drishti 1ST EDITION

MARKET OVERVIEW
AUGUST 2025

• COMMODITIES

Gold

4.37%
Spot Prices per 10 grams

Opening: Rs. 97,718
Closing: Rs. 1,01,998

Silver

7.37%
Spot Prices per 1 kg

Opening: Rs. 1,09,379
Closing: Rs. 1,17,463

• CURRENCIES

USD/INR

0.77%

Opening: Rs. 87.49
Closing: Rs. 88.17

Euro/INR

3.13%

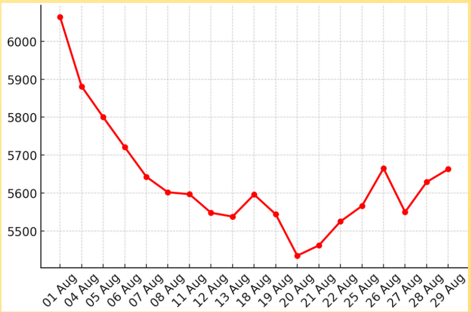
Opening: Rs. 99.908
Closing: Rs. 103.04

• CRUDE OIL

Opening
Rs. 6,064.00

Closing
Rs. 5,663.00

6.61%

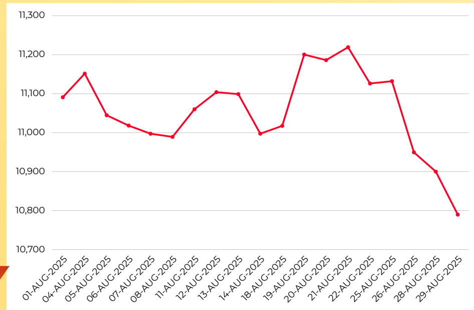


• NIFTY OIL & GAS

Opening
Rs. 11262.25

Closing
Rs. 10789.75

4.19%



• STOCK INDICES

Nifty 50

Opening: Rs. 24,734.90
Closing: Rs. 24,426.85

1.24%

Nifty Bank

Opening: Rs. 55,897.15
Closing: Rs. 53,655.65

4.01%

Sensex

Opening: Rs. 81,074.41
Closing: Rs. 79,809.65

1.56%

S&P 500

Opening: Rs. 6,287.28
Closing: Rs. 6,460.26

3.87%

NASDAQ

Opening: Rs. 20,830.64
Closing: Rs. 21,455.55

3.00%

HANG SENG

Opening: Rs. 24,744.34
Closing: Rs. 25,077.62

1.35%

NIKKEI 225

Opening: Rs. 41,029.84
Closing: Rs. 42,718.47

4.12%

SSE INDEX

Opening: Rs. 2,99,733.84
Closing: Rs. 3,24,067.92

8.12%

MARKET OVERVIEW
SEPTEMBER 2025

- ## COMMODITIES

Gold

10.39%

Opening	Closing
Rs.1,03,962	Rs.1,14,762

Spot Prices per 10 grams

Silver

15.55%

Opening	Closing
Rs. 1,22,809	Rs. 1,41,802

Spot Prices per 1 kg

- ## CURRENCIES

USD/INR

0.95%

Opening	Closing
Rs. 88.001	Rs. 88.841

Euro/INR

1.15%

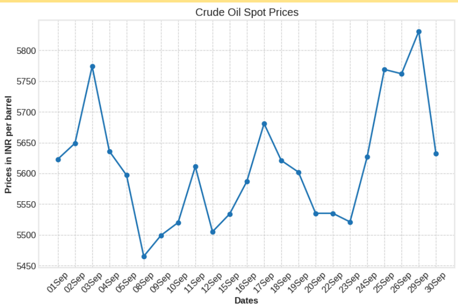
Opening	Closing
Rs. 103.058	Rs. 104.246

- ## CRUDE OIL

Opening
Rs. 5,623

Closing
Rs. 5,632

0.16%

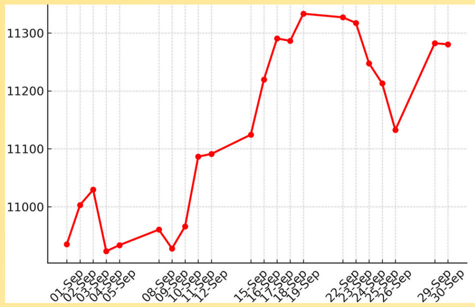


- ## NIFTY OIL & GAS

Opening
Rs. 10800.90

Closing
Rs. 11280.50

4.44%



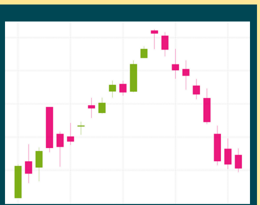
- ## STOCK INDICES

Nifty 50

Opening Rs. 24,432.7

Closing Rs. 24,611.1

0.73%



Nifty Bank

Opening Rs. 53,658.15

Closing Rs. 54,635.85

1.82%

Sensex

Opening Rs. 79,828.99

Closing Rs. 80,267.62

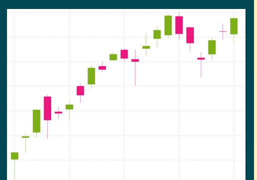
0.55%

S&P 500

Opening Rs. 6,401.51

Closing Rs. 6,688.46

4.48%

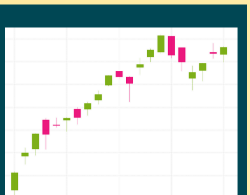


NASDAQ

Opening Rs. 21,086.57

Closing Rs. 22,660.01

7.46%



HANG SENG

Opening Rs. 25,508.21

Closing Rs. 26,855.56

5.28%

NIKKEI 225

Opening Rs. 42,362.71

Closing Rs. 44,932.63

6.07%

SSE INDEX

Opening Rs. 3,869.75

Closing Rs. 3,882.78

0.34%

MARKET OVERVIEW

AUGUST 2025

- **Top Gainers:**

SL.NO	STOCKS	% GAIN
1.	Netweb Technologies	126%
2.	Guj Mineral Dev.	49.6%
3.	Tata Investment	48.7%
4.	Anand Rathi Wealth	35.7%
5.	Godawari Power	34.6%

- **Top Losers:**

SL.NO	STOCKS	% GAIN
1.	PG Electroplast	32.9%
2.	Century Textiles	31.7%
3.	Five-Star Business Finance	31.1%
4.	JSW Holdings	30.3%
5.	DB Reality	30.1%

- According to a monthly recap, auto, steel, and technology stocks were among the outperformers in August, showing resilience in consumer & manufacturing segments. On the flip side, financials and energy names faced headwinds, as capital rotated out of some of those sectors.
- The IPO space had some big winners: e.g. Aditya Infotech surged ~86 %, National SDL ~55 % on listing gains.

SEPTEMBER 2025

- **Top Gainers:**

SL.NO	STOCKS	% GAIN
1.	Eternal	25.3%
2.	Maruti Suzuki	23.8%
3.	HUL	9.3%
4.	MM	8.7%
5.	Bajaj Finance	8.1%

- **Top Losers:**

SL.NO	STOCKS	% GAIN
1.	HCL Tech	19.2%
2.	Tech Mahindra	16.1%
3.	TCS	14.8%
4.	IndusInd Bank	13.7%
5.	Infosys	11.0%

- The Nifty Midcap 100 index slipped by ~ −0.52% in September, dragged largely by weakness in the technology sector (which fell ~8.03 %).
- In contrast, the Energy sector was a relative outperformer, gaining ~7.0 %, led by names like HPCL, Oil India, Waaree Energies etc.
- A major headwind: IT / technology names under pressure, especially after announcements related to H-1B visa fee increases, which weighed heavily on sentiment for the export / services sector.

MARKET & FINANCIAL NEWS

AUGUST & September 2025

NATIONAL NEWS

FPI Outflows, DII Strength:

- Foreign Portfolio Investors (FPIs) pulled out ₹35,000 crore (~$4 bn) from Indian equities, the sharpest outflow in 6 months. Financials were hit the hardest due to concerns over shrinking margins and tariff shocks.
- Domestic Institutional Investors (DIIs) cushioned the fall - SIP inflows hit a record ₹28,464 crore, reflecting strong retail participation.

Manufacturing Momentum:

- India's Manufacturing PMI surged to 59.3, the highest in 17.5 years,
- signalling robust industrial activity and fastest output expansion in nearly five years.

GST reforms announced by Ministry of Finance:

The GST Council approved a restructuring of the slabs - consolidating from four slabs to two standard ones: 5% and 18%, while a new 40% rate applies for a limited set of goods.

- GST reforms cut taxes on household essentials (soaps, toothpaste, Indian breads) to 5% or Nil boosting affordability
- Life-saving drugs, medicines reduced from 12% to Nil or 5% making healthcare affordable
- Two-wheelers, small cars, TVs, ACs, cement cut from 28% to 18% bringing relief to middle-class.
- Farm machinery, irrigation equipment cut from 12% to 5%, reducing farming costs
- Tobacco, pan masala, aerated drinks, and luxury goods taxed at 40%.

Trade & Geopolitics

The U.S. imposed tariffs up to 50% on Indian exports over Russian oil imports. This triggered:

- Rupee depreciation to record lows.
- Sharp selloff in Sensex & Nifty. Higher stress in export-linked sectors.
- Finance Ministry stressed India must sustain 8% growth amid global headwinds.

Policy & Corporate Developments

- Income Tax Act, 2025 received presidential assent; implementation begins April 2026.
- Vedanta's demerger faced regulatory hurdles, while Hindustan Zinc announced a ₹3,823 crore sustainability investment.

Macro and Policy Stability:

- GDP Outlook Brightens: The Reserve Bank of India (RBI) kept the key repo rate unchanged but revised India's FY 2025-26 GDP growth forecast upwards to 6.8% (from 6.5%), based on strong consumption and investment momentum.
- Inflation Remains Low: CPI inflation for the full fiscal year was lowered to 2.6% (from 3.1%), staying within the RBI's target range, supported by benign food prices and the impact of recent GST rate rationalization on consumer prices.
- Small & Mid-Caps Outperform: For the April-September period, the broader markets continued to lead, with the BSE MidCap and BSE SmallCap indices gaining significantly more than the benchmark Sensex. However, new fund inflows into Mid-caps surpassed Small-caps, indicating a slight shift toward diversification.

INTERNATIONAL NEWS

Asia Manufacturing Faces Divergent Paths

Across Asia, factory activity weakened broadly in August as U.S. tariffs bite, except in China where manufacturing posted modest expansion. Official PMI data showed China's manufacturing edged upward to 50.5, while exporters like Japan, South Korea, and Taiwan saw slowing output. Analysts warn that sustained tariff pressures could stall recovery in export-reliant economies.

M&A Boom Signals Strong Investor Confidence

Despite global uncertainties, mergers and acquisitions surged to $2.6 trillion yearto-date, up 28% from last year—driven by U.S. megadeals and a doubling of deal activity in Asia Pacific. Market liquidity and strategic ambitions remain robust.

Gold-Backed by Deregulated Financial

Conditions Gold gained as a safe haven amid concerns over Fed independence and a weaker job market. Goldman Sachs warned that escalating pressures on the Fed could push gold prices toward $5,000 per ounce

GDP Forecast Revisions

S&P Global raised growth projections for 2025 for key economies - U.S., Eurozone, UK, Canada, and China - following strong Q2 data. However, India and Brazil saw downgraded forecasts due to escalating U.S. tariffs. Growth is expected to soften in H2, with recovery expected in 2026.

Global Growth Risks Rise

The World Bank revised down its 2025 global growth forecast to 2.3%, citing elevated trade barriers, policy uncertainty, and risks from conflict and climate shocks, especially impacting emerging and low-income economies.

Strong August Rally Led by Small-Caps

International equities rose broadly: small-cap U.S. stocks (Russell 2000) led with a +7.14% monthly gain, while overall developed market equities climbed 4.27%. Sector-wise, healthcare and materials outperformed; utilities and tech lagged.

U.S. Equities on Steady Ground

In August, the S&P 500 rose 1.91%, and the Dow Jones gained 3.20%, boosting their year-to-date returns to about 9.8% and 7%, respectively.

Policy and Macro Developments:

U.S. Federal Reserve Policy Eases: The Federal Open Market Committee (FOMC) delivered a widely anticipated 25 basis point rate cut in September, bringing the target range for the federal funds rate down to 4.00%-4.25%. The decision signalled the start of a gradual easing cycle, driven by softening labour market conditions and easing, though still "somewhat elevated," inflation. Forward guidance and the 'dot plot' suggested the potential for one to two more cuts before the end of 2025.

Government Shutdown Dents Confidence: Effective October 1st, a U.S. federal government shutdown commenced due to a lapse in funding legislation. The shutdown's main impact on markets was an immediate spike in uncertainty and the postponement of key economic releases (including the September jobs and CPI reports), complicating the Federal Reserve's data-dependent approach.

FINANCIAL GLOSSARY

- **Compound Interest**

Interest earned on both the initial principal and the accumulated interest from previous periods, leading to rapid growth of investments compared to simple interest.

- **Foreign Portfolio Investor (FPI)**

An overseas entity or individual investing in a country's stocks and bonds, impacting market trends, liquidity, and sometimes currency valuations.

- **Portfolio**

A collection of financial assets such as stocks, bonds, and mutual funds, owned and managed by individuals or institutions to diversify investment risks and achieve financial goals.

- **Venture Capital**

Investment in startups or small businesses by providing funds and expertise in exchange for equity, supporting rapid growth and high returns in competitive, innovative markets.

- **Deductible**

The amount of expenses the insured must pay before the insurance company will contribute toward the covered item. For example, the amount you pay for covered health care services before your insurance plan starts to pay is your deductible.

- **Mergers and Acquisitions (M&A)**

Business operations where companies combine or one acquires another to expand, diversify, or gain market advantages, often reshaping industry landscapes.

- **Sovereign Rating**

A country's credit worthiness assessment by agencies such as S&P or Moody's, influencing investor confidence and the interest rates charged on government debt.

- **Systematic Investment Plan (SIP)**

A method of investing set, fixed amounts into mutual funds at regular intervals, encouraging disciplined saving and benefiting from market averaging and compounding, ideal for long-term wealth creation.

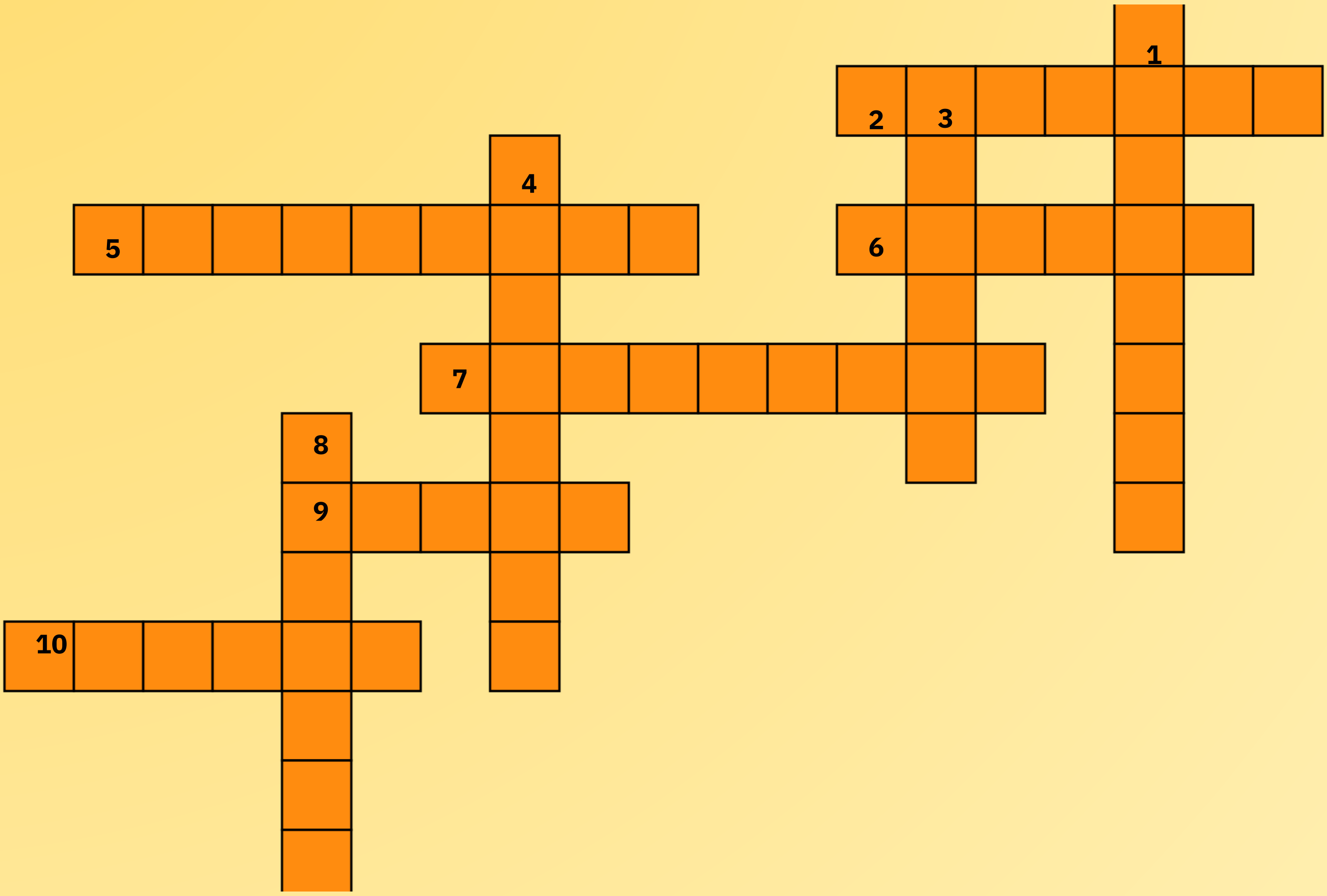
- **Mutual Fund**

A professionally managed investment pool combining money from many investors to buy a diversified basket of securities, providing accessibility, diversification, and liquidity.

- **Grace Period**

The number of days you have to pay your bill in full before finance charges start. Without this period, you may have to pay interest from the date you use your card or when the purchase is posted to your account.

FINANCE CROSSWORD



Across

2. Income generated from business activities

5. Rise in general price levels over time

6. A plan for managing income and expenses

7. Debt or obligation owed to others

9. Anything valuable owned by a person or company

10. Borrowed money to be paid back later

Down

1. Cost of borrowing money or return on investment
3. Ownership interest in a company
4. A portion of profits paid to shareholders
8. Wealth used to start or maintain a business

FINANCE TRIVIA

1. The Rule of 72: This simple rule helps you estimate how long it will take for an investment to double in value. You divide 72 by the annual rate of return. For example, an investment with a 6% return will take approximately 72÷6=12 years to double.

2. The Most Expensive Stock: Berkshire Hathaway (Class A), led by Warren Buffett, holds the record for the highest share price, with a single share often trading for over half a million dollars. Buffett has famously never split the stock to attract long-term investors.

3. The Power of Compounding: If you start with just one penny and double it every day for 30 days, you would end up with over $10.7 million. This illustrates the exponential growth of compound interest, a key concept for long-term investing.

4. The World's Largest Stock Market: The New York Stock Exchange (NYSE), located on Wall Street in New York City, remains the largest stock exchange globally by market capitalization. It is home to thousands of major corporations and is a crucial benchmark for global economic health and investment performance.

5. The Most Expensive Purchase Ever Made?: Two Pizzas. In 2010, a programmer paid for two pizzas using 10,000 Bitcoins - the first-ever real-world transaction with crypto. At its peak value, that Bitcoin stash was worth over $600 million, making it the priciest pizza order in human history.

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Management Studies

NALSAR University of Law

inFINity Club

1st Edition Aug-Sept, 2025

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